1. A computer-based method for determining a price for an insurance product under which an insurer will provide termination benefits to employees who are non-voluntarily terminated from employment by an employer, the method comprising:

storing historical information about rates of termination of employees of the employer who are non-voluntarily terminated during a predetermined historical period, and historical information indicative of periods of time during which employees who are non-voluntarily terminated are expected to remain unemployed,

based on the stored historical information, estimating an amount of money that will be required to pay termination benefits under the insurance product to employees who are non-voluntarily terminated, assuming a continuation of the historical termination rates, and

determining a price for the insurance product that is smaller than the estimated amount of money so that the employer's cost for termination benefits will be smaller under the insurance product than without the insurance product.

2. The method of claim 1 in which the historical information about rates of termination includes numbers of terminated employees per year during the historical period.

3. The method of claim 1 in which the historical information about rates of termination includes salary histories of the terminated employees.

4. The method of claim 1 in which the historical information about rates of termination includes tenures of the terminated employees.

1   5.   The method of claim 1 in which the historical
2 information includes job classifications of terminated
3 employees.

1   6.   The method of claim 1 in which the historical
2 information includes the numbers, salary histories, and
3 tenures of terminated employees and the price for the
4 insurance product is determined by considering different
5 cells of employees separately, each cell including employees
6 whose job classifications, salary histories and tenures fall
7 within predefined ranges.

1   7.   The method of claim 1 in which the price
2 reflects expected periods of unemployment that are shorter
3 than the historical periods of unemployment.

1   8.   The method of claim 1 in which the estimated
2 amount of money is adjusted for expected inflation.

1   9.   The method of claim 1 in which
2   the insurance product includes a basic coverage that
3 will provide termination benefits to no more employees than
4 the average annual percentage of employees who were non-
5 voluntarily terminated during the predetermined historical
6 period, and
7   the price determination reflects the basic coverage.

1   10.   The method of claim 9 in which the average
2 annual percentage is adjusted to reduce the impact of years
3 in which the percentage of employees who were non-
4 voluntarily terminated is aberrantly high.

1   11.   The method of claim 1 in which

2   the insurance product includes an enhanced coverage
3   that will provide termination benefits to employees who
4   exceed the average annual percentage of employees who were
5   non-voluntarily terminated during the predetermined
6   historical period, and
7   the price determination reflects the enhanced
8   coverage.

1   12.   The method of claim 11 in which the enhanced
2   coverage is limited by a stop loss amount, and
3   the price determination is based on the stop loss
4   amount.

1   13.   The method of claim 12 in which rights to the
2   enhanced coverage are made available over time only in
3   accordance with a vesting schedule.

1   14.   The method of claim 12 in which the
2   determination of price for the enhanced coverage yields a
3   pricing formula based on numbers of terminations and the
4   pricing formula is applied retroactively based on actual
5   termination experience.

1   15.   The method of claim 1 further comprising
2   storing information about employment demographics of
3   employees of the employer sufficient to categorize the
4   employees into risk cells,
5   determining a limit of coverage for each of the
6   cells expressed as a maximum percentage of employees in that
7   cell who will be eligible for termination benefits, and
8   setting a separate sub-price for each of the cells.

1   16.   The method of claim 1 further comprising

2   storing information about employment

3 demographics of employees of the employer sufficient to

4 categorize the employees into risk cells, and

5   establishing a separate pricing formula for

6 each of the cells to be applied retroactively at each

7 anniversary date of the policy.

1   17. The method of claim 15 in which the employees

2 are categorized based on salary, tenure, and job

3 classification.

1   18. The method of claim 16 in which the employees

2 are categorized based on salary, tenure, and job

3 classification.

1   19. A computer-based method for determining a

2 component of price for a portion of coverage of an insurance

3 product under which an insurer will provide termination

4 benefits to employees who are non-voluntarily terminated

5 from employment by an employer, the method comprising:

6   storing historical information about rates at which

7 employees of the employer were non-voluntarily terminated in

8 excess of an average rate of terminations during a

9 predetermined historical period,

10   storing a predetermined maximum number of employees

11 in excess of the average historical rate of terminations who

12 will be covered by the portion of the coverage for which the

13 price component is being determined, and

14   determining the component of price based on the

15 predetermined maximum number of employees.

1   20. A computer-based method for determining a

2 component of price for a portion of coverage of an insurance

3   product under which an insurer will provide termination
4   benefits to employees who are non-voluntarily terminated
5   from employment by an employer, the method comprising:
6   storing historical information about rates at which
7   employees of the employer were non-voluntarily terminated in
8   excess of the average rate of terminations during a
9   predetermined historical period
10   determining the component of price for the actual
11 number of employees who are terminated in excess of the
12 average rate of terminations during the predetermined
13 historical period.

1   21.   A computer-based method for determining a price
2   for coverage of an insurance product under which an insurer
3   will provide termination benefits to employees who are non-
4   voluntarily terminated from employment by an employer, the
5   method comprising:
6   storing information about employment
7   demographics of employees of the employer sufficient to
8   categorize the employees into risk cells,
9   determining a limit for basic coverage for each
10 of the cells expressed as a maximum percentage of the total
11 number of employees in that cell who will be eligible for
12 termination benefits,
13   setting a separate price for basic coverage for each
14 of the cells,
15   determining a limit for enhanced coverage for each
16 of the cells expressed as a maximum percentage of the total
17 number of employees in that cell who will be eligible for
18 termination benefits,
19   setting a separate price formula for enhanced
20 coverage for each of the cells, and

21   determining the price for enhanced coverage for each
22 of the cells retroactively based on the actual number of
23 employees who are terminated in excess of an average rate of
24 terminations during a predetermined historical period.

1   22.   A computer-based method for managing a
2   durational risk associated with an insurance product under
3   which an insurer provides termination benefits to employees
4   who are non-voluntarily terminated from employment by an
5   employer, the durational risk comprising the risk that the
6   unemployment periods for the employees under the basic
7   insurance product will be greater than historical
8   unemployment periods, the method comprising:
9   storing information about dates of termination and
10 historical employment experiences of employees who have been
11 terminated from employment by the employer and are covered
12 by the insurance product,
13   storing information about displacement duration,
14   based on the stored information, generating
15 information useful in assisting terminated employees in
16 finding new jobs within periods that will reduce the impact
17 of durational risk,
18   tracking dates of reemployment of terminated
19 employees, and
20   controlling payments of termination benefits based
21 on stored dates of termination.

1   23.   The method of claim 22 in which the payments
2   are also controlled on the basis of individual pay period
3   benefit amounts, cumulative benefit amounts, and
4   reemployment dates.

1   24. The method of claim 23 in which the durational
2 risk comprises a risk that the unemployment periods for the
3 employees under an enhanced coverage of the insurance
4 product will be greater than the assumed duration as
5 incorporated in a pricing formula for the enhanced coverage.

1   25. A computer-based method for reducing an adverse
2 selection possibility for a risk associated with an
3 insurance product under which an insurer provides
4 termination benefits to employees who are non-voluntarily
5 terminated from employment by an employer, the method
6 comprising:
7   storing information that defines a maximum amount of
8 money associated with the risk that may be paid as
9 termination benefits for both a basic coverage and an
10 enhanced coverage of the insurance product,
11   providing a time-dependent vesting schedule for a
12 maximum amount of termination benefit under the enhanced
13 coverage, and
14   processing benefit claims with respect to the risk
15 in a manner that prevents payment of benefit claims that
16 exceed the vesting schedule.

1   26. A computer-based system for determining a price
2 for insurance that provides termination benefits to
3 employees who are non-voluntarily terminated from employment
4 by an employer, comprising:
5   storing information about historical termination
6 experience for the employees,
7   determining a base risk representing a component of
8 the termination experience that has a relatively smaller
9 variation over a period of years,

10   setting a risk component of the price associated
11 with covering the smaller variation base risk,
12   setting a second component of the price associated
13 with covering an enhanced risk with a predefined limit of
14 coverage, the enhanced risk representing a component of the
15 termination experience that has a relatively larger
16 variation over a period of years, and
17   determining the price based on the first and second
18 components.

1   27.   The method of claim 26 in which the second
2 component comprises a pricing formula, and the determining
3 of the price is done retroactively by applying the formula
4 to actual termination to determine the second component.

1   28.   A computer-based method of administering
2 termination benefits paid under an insurance product to
3 employees who are non-voluntarily terminated from employment
4 by an employer, the method comprising:
5   storing information that identifies separate time
6 limits of termination benefits to be paid with respect to
7 employees belonging to different risk cells,
8   storing information about claims made for
9 termination benefits with respect to the employees belonging
10 to different risk cells,
11   comparing the limits of termination benefits with
12 the claims made for each of the risk cells, and
13   withholding benefits when the actual time for a risk
14 cell exceeds the limit for the risk cell

1   29.   The method of claim 28 further comprising

2   storing information about the periods of time that
3 an employee must remain unemployed before termination
4 benefits are paid,
5   comparing the time periods with an actual time
6 period during which an employee has remained unemployed,
7 withholding benefits until the actual time period exceeds
8 the stored time period,
        notifying the employer that benefits for a given
cell have been exhausted.

1   30. The method of claim 28, further comprising
2   receiving, storing and searching information about
3 employees eligible for state unemployment insurance
4 benefits,
5   comparing the eligible employees with employees who
6 are terminated from employment by the employer
7   withholding benefits when a terminated employee's
8 eligibility status for state benefits matches a rule for
9 withholding benefits.

1   31. A computer-based method of administering basic
2 and enhanced coverages of insurance products that provide
3 termination benefits to employees who are non-voluntarily
4 terminated from employment by an employer, the method
5 comprising:
6   calculating, storing, reporting and distributing
7 broker commissions, claims administration fees, IP override,
8 fronting fees, carrier overhead, and premium tax, and
9   calculating and reporting required risk based
10 capital.

1   32. A computer-based method for use in reducing a
2 durational risk associated with benefits to be paid under an

- 31 -

3 insurance product that provides termination benefits to
4 employees who are non-voluntarily terminated from employment
5 by an employer, the method comprising:
6   storing information that indicates receipt of
7 notification of non-voluntary termination of an employee
8 covered by the termination benefits,
9   storing information that can be assembled into
10 prescribed interviews of terminated employees, and
11   in response to the stored information about
12 notification of non-voluntary termination, providing a
13 prescribed interview to accumulate information useful in
14 placing the employee in a new job, and
15   storing the results of the interview.

1   33. A computer-based method for use in reducing a
2 durational risk associated with benefits to be paid under an
3 insurance product that provides termination benefits to
4 employees who are non-voluntarily terminated from employment
5 by an employer, the method comprising:
6   storing information about the qualifications of a
7 terminated employee for reemployment,
8   storing information about available jobs, and
9   matching the stored information.